GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2963
ANSWERED ON:07.12.2001
REVIVAL OF INSTRUMENTATION LIMITED
JASWANT SINGH YADAV;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have finalised the revival package of Instrumentation Limited, Kota;

(b) if so, the details thereof;

(c) whether Bharat Sanchar Nigam Limited has decided to give orders to Instrumentation Limited to make it healthy;

(d) if so, the details thereof; and

(e) the other steps taken by the Government for revival of the company?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a)& (b): Instrumentation Limited, Kota was referred to Board for Industrial & FinancialReconstruction (BIFR) in 1993.BIFR sanctioned its revival package in March, 1999, envisaging Corporate and Financial restructuring of the company. Under the scheme, Government has extended the following assistance to the company :

(i) Fresh cash infusion of Rs.36 Crore,

(ii) Rs.30 Crore from National Renewal Funds for Voluntary Retirement Scheme (VRS)

(iii) Government guarantee of Rs.25 Crore, in favour of consortium of banks.

(c) & (d): Government has decided that Bharat Sanchar Nigam Limited would provide orders to theextent of 10% of their requirement of MAX-XL Telephone lines each year for a period of three years alongwith an advance to the tune of 50% of the order value.

(e): In addition to the above, Government has decided to furnish additional Counter Guarantee for raising Rs.28 Crore from the market to bridge the additional working capital deficit upto March, 2001 and another Rs.35 Crore for giving VRS to 500 employees for rationalisation of manpower to achieve cost reduction in its operations.